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The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

ICS 86-3327/2
16 April 1986

MEMORANDUM FOR: Senior Interagency Group (Intelligence)

FROM:

[REDACTED]
Deputy Executive Secretary, SIG(I)

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SUBJECT: Minutes of SIG(I) Meeting on 20 March 1986, 1530 Hours

Summary of Decisions

The Acting Chairman, Deputy Director of Central Intelligence McMahon, with the concurrence of the SIG(I) principals, approved General Richard Stilwell's SIG-I Working Group proposed comments on the Countermeasures Section of the SSCI Draft Report, subject to certain revisions agreed to at the meeting.

Minutes of the Meeting

Opening the meeting, the Acting Chairman, Deputy Director of Central Intelligence John McMahon, explained that the Chairman, Director of Central Intelligence Casey, had been prevented at the last minute from presiding since he had been summoned to an urgent meeting of the National Security Policy Group. The entire topic of counterintelligence and countermeasures is "near and dear" to Mr. Casey's heart and he wished to make sure that his personal opinion is known. Continuing, Mr. McMahon said, we now have the SSCI "reinventing the wheel" and "putting new names on it". General Stilwell has spent a great deal of time reviewing the report's 52 recommendations and he would ask the General to take us through them.

General Stilwell, prior to discussing the countermeasures recommendations, said he would first wish to discuss the SSCI reaction to the SIG-I's comments on their counterintelligence recommendations. These SIG-I comments had, on the whole, been favorably received, and all but five of them accepted. At a meeting on 13 March, differences on four of these five comments had been quickly composed. On the fifth, the modalities to reach equivalence of diplomatic and consular personnel, it was "agreed to disagree". On recommendation 17, concerning the relationship between the National Intelligence Officer for Foreign Denial and the FBI, it was agreed that the former would coordinate his activities with the FBI and the Attorney General.

[REDACTED] this had been based on the erroneous assumption that agencies placed undue weight on the polygraph to the exclusion of other

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information. In response to recommendation 41, concerning increased cooperation of agencies in counterintelligence matters and the establishment of community-wide courses, the SSCI was advised that although each agency had its own unique CI responsibilities to which it accords primary responsibility, there is indeed sharing among agencies on training etc.

At this juncture Mr. McMahon said that the closer one comes to retirement, the greater is one's wisdom. Each agency must do its job from the Security and Counterintelligence point of view. Let the NSC set the policy and make sure it is implemented, but by the organizations most concerned. State has an important role to play since they are the most exposed overseas. Conversely, the FBI has the lead role in this country.

Mr. Kenneth deGraffenreid, representing the National Security Council, said that the NSC has had the difficult task of fending off people who say that the CI/CM problem could be solved if responsibility were centered in the NSC. Ultimately, he said, the question of CI and CM should be addressed more frequently at the policy table. He had recently reviewed some 418 recommendations made by the IG/CI, IG/CM and in Multidisciplinary Counter Intelligence Studies, grouped by category. Although centralization is not the answer, one does need a mechanism to ensure that appropriate action has been taken. There are a lot of good ideas and suggestions made, but someone must move them along. It would be difficult to have a national policy on personnel security; nonetheless one should determine a threshold for adequate performance. Mr. McMahon responded that this is what he believes the SIG-I should do.

At this juncture General Stilwell began the review of the 52 CM recommendations, inviting members' comments.

Item 1. "The Executive Branch should develop and implement a comprehensive National Strategic Security Program...." General Stilwell drew members' attention to comments provided in the seven bullets on page 1 and stressed that "the totality of a national counterintelligence/security system cannot be set forth in any single document--labeled National Strategic Security Program or other--and that no single official can speak for all security disciplines and all interagency bodies, or agencies which perform interagency functions in this area". In answer to a query from Mr. Dave Major of the NSC concerning the feasibility of establishing a common budget for CI, General Stilwell directed members' attention to bullet 2 of item 3 ("Department/agency heads, charged as they are with the safeguarding of information and other property entrusted to their care, must determine the appropriate mix of security measures within the resources made available by Congress.") Mr. McMahon noted that it would be difficult to identify CI and security aspects in a budget process without actually identifying them, thus possibly compromising security.

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Item 3. In a further discussion of item 3, General William Odom, Director, National Security Agency, proposed that the following sentence be added to the end of the first bullet under "Comment": "However it should be noted that a national level program already exists for the review and assessment of the telecommunications and automated information systems security security programs and budgets for the U.S. Government." The rationale for this addition is that the "Comment should recognize roles of the National Manager and Systems Security Steering Group in telecommunications and automated information systems security program and budget, per NSDD-145." The addition was accepted.

Item 8. "The National Strategic Security Program should consider assignment of national responsibilities for security training to the Defense Security Institute, with an interagency group including representation from US counterintelligence agencies to develop security awareness and with a West Coast annex." General Stilwell proposed that the SSCI be advised that it will take at least five years for the Defense Security Institute (DSI) to be organized and that hence it is unrealistic for DSI to assume interagency training responsibilities. In the meantime "the concept of interagency collaboration in the development and exchange of security awareness material is endorsed".

Item 9. "The National Strategic Security Program should develop government-wide operations security (OPSEC) objectives and ensure that the relevant agencies have the necessary resources and programs to achieve those goals." Discussing this item, General Stilwell emphasized that "OPSEC plans and measures are essentially non-programmatic" and that there should not be "department and agency resources specifically allocated for this function." A proposal from NSA to delete the second paragraph of the proposed reply to the SSCI was not accepted.

Item 10. "The National Strategic Security Program should ensure substantially increased funding for personnel security in all relevant departments and agencies. A Government-wide plan should be submitted to Congress to achieve the following goals: (a) elimination of the reinvestigation backlog for Top Secret (including SCI) within four years; and (b) implementation within less than ten years of a program for intensified investigation and reinvestigation for Secret clearances." In reply, General Stilwell pointed out that although the goals are reasonable and "have been adopted by DoD, which has 90 percent of the cleared population,...the reinvestigation targets should not be pursued in a vacuum; it is at least as important to invest in personnel research to improve the quality of investigations, to establish better controls over the number of clearances, to develop more rigorous and uniform adjudication standards, and to engage supervisors in the continuing appraisal of subordinates from a security standpoint." [redacted] Executive Director, Central Intelligence Agency, remarked that it would be impossible for CIA to eliminate its backlog

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for reinvestigation for Top Secret and SCI clearances within four years. It would probably take at least five to seven years to accomplish this. Mr. McMahon, in answer to a query from [] said that although 85% of CIA employees have had their security clearances reviewed within the past ten years, one half of these personnel have only recently been hired. Mr.

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[] said that there is a three year backlog for repolygraphing in CIA. There is a five to seven year delay in State Department reinvestigation but "main Justice" meets the five year reinvestigation requirement. DIA is considerably behind in its reinvestigations but the FBI is "within shouting distance" of achieving its aims. General Odom advised that although NSA has a four year backlog it is deemed within reasonable proportions. [] emphasized that it would be impossible for CIA to conclude its reinvestigations within five years and Mr. McMahon stated that to attempt to do so would entail a very large expenditure.

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Item 11. "Agreement should be reached as soon as possible on a 'single scope' background investigation for all Top Secret and SCI clearances. The uniform policy should provide for: (a) less costly and more timely background investigations and clearances; (b) highest priority for meeting the five-year reinvestigation requirement; and (c) a subject interview in all cases." General Stilwell stated that there is research currently underway at the Naval Post Graduate School in Monterey on "behavior prediction" and one hopes to learn better ways of doing background investigations. Mr. McMahon added the caveat that there is a real distinction between Top Secret and SCI that must be preserved. Moreover, there is no common standard within the Community for classifying Top Secret.

Item 13. "A new reliability clearance program should be established for persons needing access to sensitive sites, but not access to classified information maintained there...." There was general concurrence that this is an area in which "commonalty is neither desirable nor practical".

Item 15. "Implementation of the proposal for one-time, short-duration access by cleared personnel to the next highest level of classified information should be postponed until Secret clearance requirements and investigations are upgraded." After considerable discussion it was agreed that the SIG-I could not concur in this recommendation. "The Secretary of Defense has already approved a related recommendation of the Stilwell Commission, and a directive establishing rigid controls is now being coordinated with DoD components." The Secretary of Defense should not be asked to withdraw his permission. [] commented that CIA has no problem with the recommendation but that generally his organization will provide exceptions for access to Secret but not Top Secret information. General Stilwell remarked that it was essential that commanders in the field be given the authority to grant temporary access to Secret and TS information.

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Item 18. "The President should issue a new executive order on personnel security. The order should provide for Government-wide minimum standards and procedures and a policy oversight office similar to the Information Security Oversight Office...." The point was made that the DoJ has already received a mandate to lead a working group to consider these matters as mandated by NSDD-84. Ms. Mary Lawton, representing the Department of Justice, noted also that Congress should never tell the President when to issue an executive order. After further discussion, it was agreed that the language for the Comment would be reworked in consultation with Ms. Lawton.

Item 20. "The National Strategic Security Program should ensure full coordination of departmental policies and practices for the use of polygraphing in personnel security screening, to maintain stringent quality controls and safeguards for individual rights, to prevent overreliance on these techniques, to provide for necessary research and funding, to upgrade the national training center, and to improve understanding of the procedures." The SIG-I principals concurred in the comments and accepted a suggestion from General Odom that the word "current" be substituted for "limited" in the phrase in the first paragraph of the comment, i.e. "The policies and practices in effect in CIA and NSA for the use of polygraph examinations in personnel security are very different from the limited use...within other components of DoD." All agreed that there should be no national training center or a national training center for polygraph operators.

Item 21. "Congress should consider permanent legislation authorizing DoD to use polygraph examination for personnel security screening with CI-related questions...." Although General Stilwell's working group had concurred in this recommendation, General Odom proposed that the comment be expanded to suggest that Congress authorize all departments and agencies, not just DoD, to establish personnel security screening using CI, polygraph, as they deem appropriate. Mr. deGraffenreid of the NSC pointed out that there is nothing now in law prohibiting DoD or any other government department or agency from utilizing the polygraph. Mr. Craig Alderman, Deputy Under Secretary of Defense for Policy, said that it might not be wise to suggest that Congress authorize other departments and agencies to utilize the polygraph in CI screening when, in fact, they have that authority now. General Odom therefore withdrew his suggestion.

Item 25. "By executive order, require each agency to establish procedures governing authorized disclosure of classified information to the news media, including background disclosures of information that remains classified. Such procedures should require records for accountability, consultation with originating agencies, and designation of officials authorized to disclose classified information to the media." It was generally agreed that the wording of the comment does not accurately reflect what is intended. In answer to a query from Mr. McMahon, Mr. Craig Alderman, the Deputy Under Secretary of Defense for Policy, said that one must make a distinction between

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clearing the release of classified information to the media and "background briefings", to which General Stilwell added that there is a further and very fuzzy distinction between "background briefing" and "off the record" comments. The SSCI is talking about information which is actually published and is concerned to find a way to arrange for a sanitized version which would protect sources and methods. At this juncture [] said that we have studied the problem enough and what we need now is action to solve it. Judge Webster said that he liked the proposal contained in this recommendation for it would require persons to act responsibly when releasing classified information; accountability must be made foremost. Mr. McMahon remarked that should this recommendation be adopted, a heavy burden would be placed on the policy community. Ms. Lawton remarked that NSDD 84 was a chance to have done something about this problem but that the NSC had not fulfilled its responsibilities. General Stilwell emphasized that the operative words are "authorized disclosure" and that accountability is essential. General Odom opined that Judge Webster was looking for an "audit trail" and the latter agreed that a formal audit system would indeed help. After further discussion it was agreed that the SIG-I would support the recommendation subject to procedures to be developed by the executive branch. It was further agreed that the precise wording of the reply would be developed by appropriate SIG-I representatives under the aegis of General Stilwell's working group.

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Item 26. "Modify Executive Order 12356 to place more controls on access programs and to give the ISOO Director greater authority to oversee such programs. Conduct a comprehensive, one-time review and revalidation of all existing special access programs and associated "carve out" contracts, with an independent assessment by the ISOO Director." There was general agreement with the comment, and particularly with the proposal that EO 12356 be amended to permit the Director of ISOO to "delegate his now exclusive authority for access to agency systems of accounting".

Item 27. "Expand ISOO's staff to include a permanent inspection element.... "There was general agreement that ISOO should not be given a permanent inspection staff.

Item 28. "Postpone consideration of new criminal penalties for unauthorized disclosure until after the appeals in the Morison case....There was consensus that one "Non-concur, as a matter of principle, ...while recognizing that action on legislative proposals to criminalize unauthorized disclosures will be influenced by ultimate disposition of the Morison case".

Item 34. "A first order of business for the National Strategic Security Program should be enforcement of current TEMPEST policy designed to relate expenditures more closely to the best counterintelligence estimates of actual and probable threats." [] said that CIA has a problem with this recommendation for "one should not be forced to spend money"; however he later withdrew his objection.

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Item 36. "The computer security and information security communities should review and improve current procedures for analysis of information system vulnerabilities before sensitive material is approved for storage in such systems." General Odom's suggestion that the comment be changed to read as follows was accepted: "Concur in principle. However, NSDD-145 assigned the National Manager with the responsibility for evaluating the vulnerabilities of government telecommunications and automated systems and the operation of a Technical Center to evaluate and certify the security of telecommunications and automated information system."

Item 37. "Given the gravity of the threat, high priority should be given to strict personnel security controls, comparable to the reinstituted crypto-access program and incorporating personnel reliability programs, for persons with extensive access or potential access to computer systems." The SIG-I principals strongly endorsed the Stilwell working group's comment. General Odom remarked that "if we don't work hard on this we will be severely embarrassed."

Item 38. "The National Strategic Security Program should provide for national-level review of communications, computer, and emanations security resource requirements, with NSA continuing to be responsible for development of technical measures needed to remedy vulnerabilities. The annual NSA budget justifications should be submitted to the Intelligence Committees for review." There was general agreement on the Stilwell working group comment. General Odom added that the Intelligence Community should block any legislation to give the National Bureau of Standards competence in these matters.

Items 39 and 40.

a. Item 39: "The National Strategic Security Program should establish policies and priorities for technical surveillance countermeasures that take all interests and disciplines into account...."

b. Item 40: "The State Department should implement vigorously a joint 'tiger team' inspection system with CIA, NSA, and other agencies as necessary (such as FBI) having offensive as well as defensive expertise...."

The SIG-I principals concurred in the revisions proposed by the Stilwell Working Group. They emphasized that Technical Surveillance Countermeasures (TSCM) in the short-term are heavily focused on overseas diplomatic missions where close cooperation is required [redacted]

[redacted] Long term TSCM are more focused in the United States and require, in addition, the cooperation of the FBI. The point was also made that the organizational framework for interagency collaboration exists in the IG/CM.

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Item 51. "The National Strategic Security Program should ensure implementation of the Stilwell Commission recommendations on National Disclosure Policy not only for military information, but for sensitive intelligence and nuclear matters as well." General Odom's proposal to amend the comment to read as follows: "The relevant Stilwell Commission recommendations have already been implemented within the DoD. Application to other agencies and for other categories of information will be examined. While the National Disclosure Policy does not relate to national intelligence or to cryptology, similar, but more stringent, rules do apply.", was accepted.

There being no further discussion, the Acting Chairman thanked General Stilwell for his "noble service" and requested the Working Group to provide copies of the changes in the recommendations to the SIG-I principals and to brief the DCI no later than 25 March. Although we had never been tasked to provide comments, we have now been able to limit, control, and monitor the final report. Another meeting of the SIG-I is scheduled for 11 April. The Acting Chairman adjourned the meeting at 1730 hours.

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SIG(I) MEETING

20 March 1986

Interim Report to SSCI on Countermeasures

<u>Attendees:</u>	William J. Casey, Chairman
NSC	Ken deGraffenreid David Major
State	Robert E. Lamb Daniel S. Carlin
Defense	Craig Alderman
Justice	Mary Lawton
JCS	Rear Admiral Robert Schmitt, USN Art Klos
FBI	Judge William Webster Joseph Tierney
NSA	Lieutenant General William Odom, USA
CIA	<div data-bbox="781 1176 1024 1215"></div> Fred Hutchinson
ICS	Vice Admiral E. A. Burkhalter, Jr. Eloise R. Page <div data-bbox="794 1337 1156 1407"></div>
Stilwell Commission	Richard Stilwell

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SUBJECT: Minutes of the SIG(I) Meeting, 20 March 1986, 1530 Hours

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The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

ICS 86-3327/1

9 April 1986

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Deputy Director of Central Intelligence-designate

FROM:
Deputy Executive Secretary, SIG(I)

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SUBJECT: Draft Minutes of SIG(I) Meeting on 20 March 1986,
1530 Hours

1. Action Requested: That you approve the attached draft minutes.

2. Background: These minutes have been coordinated by the participants
at the SIG(I) meeting.

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Attachment:
Draft SIG(I) Minutes

APPROVED: /s/ William J. Casey
Director of Central Intelligence

DISAPPROVED: _____
Director of Central Intelligence

DATE: 12 APR 1986



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The Director of Central Intelligence


Washington, D.C. 20505

Intelligence Community Staff

ICS-86-3327
27 March 1986

MEMORANDUM FOR: Senior Interagency Group (Intelligence)

FROM:

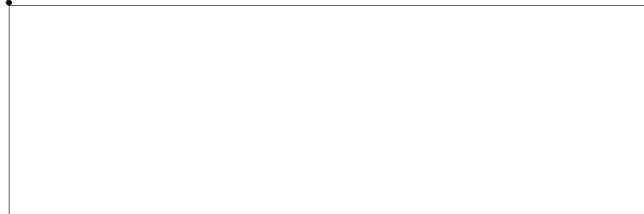

Deputy Executive Secretary, SIG(I)

SUBJECT: Draft Minutes of SIG(I) Meeting on 20 March 1986

1. The attached draft minutes are submitted for your personal review.

2. Unless you have provided your comments by noon on 4 April 1986, or have requested more time for consideration, the Executive Secretary will take it that you concur in the minutes as drafted.

Attachment:
Draft Minutes



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